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ACRONYMS

CA	Constituent Assembly
CPA	Comprehensive Peace Agreement
MJMB	Mero Jindagi, Mero Biswas
NGO	nongovernmental organization
NTI	Nepal Transition Initiative
PSA	public service announcement
UCPNM	United Community Party of Nepal - Maoist
UML	Community Party of Nepal – United Marxist Leninist
UNMIN	United Nations Mission in Nepal
VDC	village development committee
YMC	youth mobilization committee

PROGRAM DESCRIPTION

In August 2006, USAID's Office of Transition Initiatives inaugurated the Nepal Transition Initiative program to help advance Nepal's transition to peace and democracy. In October 2009, the management of the program shifted to USAID/Nepal's Democracy and Governance Office. The objectives of the program are to increase

- Access to information and diversify public debate on issues critical to the political transition
- Local-level engagement and participation in the peace process

The implementing partner is Chemonics International Inc., selected through a competitive bidding process. The program consists of a series of small grants and short-term technical assistance activities in furtherance of Nepal's transition process.

I. COUNTRY SITUATION¹

At the beginning of this reporting period, Nepal was adjusting to a new prime minister in the wake of the resignation of the government led by the United Communist Party of Nepal-Maoist (UCPNM). As the opposition party, the UCPNM were obstructing the Legislative-Parliament and the work of writing the constitution in the Constituent Assembly (CA). However, the CA was able to elect a chairperson for the Constitutional Committee whose job it is to lead the committee that drafts the final constitution. The government had been unable to pass the new budget due to the obstruction of the UCPNM lawmakers which was causing problems for the new government. The government had also recently adopted a Special Security Plan, which meant that 16,000 security personnel were deployed in areas where security was seen as poor. The work of the security personnel was largely seen as halting the spread of crime and violence in many parts of the country. With this backdrop, the situation unfolded as follows in the coming year.

There was moderate progress made on the writing of the constitution, but the Constituent Assembly was extended for one year due to political disagreements over power sharing and the many outstanding contentious constitutional issues. Although progress had occurred with the writing process, the parties were unable to clear the remaining obstacles plaguing the finalization of the constitution drafting by the May 28, 2010 deadline. The speaker of the CA identified 18 major issues that the political parties needed to decide upon in order for the constitution-writing process to move forward. The debate on whether the constitution would be written by the deadline soon turned into discussions about how long the CA should be extended. There was considerable concern about the political and constitutional ramifications of the possibility of the CA expiring without a promulgated constitution. On the evening of May 28, 2010, the three major political parties struck a deal that allowed the CA to extend the writing deadline by one year.

Since the extension, members of the CA have continued to debate and work through many of the minor contentious issues, but the larger questions including state restructuring, forms of governance, and distribution of natural resources are still unresolved. In July 2010, the three major political parties agreed to a new constitution-writing schedule that aimed to promulgate the constitution by mid-April 2011. The agreement also allowed debate on the major contentious issues to continue in the CA and to form a State Restructuring Commission to assist the CA with determining an appropriate federal structure. However, August 2010 saw little movement on any of these agreements.

The prime minister resigned, but political parties were unable to form a consensus government or elect a new prime minister after five elections. The terms of the agreement that paved the way for the CA to be extended were formation of a national unity government, the resignation of the prime minister, and negotiation of all remaining obstacles to the peace process (e.g., integration of Maoist combatants, etc.). However, within days of the agreement, the parties publicly debated the sequencing of the agreed-upon points. The United Communist Party of Nepal – Maoist thought that the prime minister should resign first, while the other two parties, Nepali Congress and the Community Party of Nepal-United Marxist

¹ The dates covered for the country situation summary and activity reporting are September 1, 2009 through August 31, 2010. It should be noted that the actual reporting period is August 16, 2009 to August 15, 2010. For ease of reporting and to be consistent with previous annual reports, Chemonics has adjusted the reporting period to fall at the beginning and end of a month.

Leninist, believed that an agreement on the remaining issues should be resolved before the resignation of the prime minister. On June 30, Prime Minister Madhav Kumar Nepal resigned to make room for negotiations on creating a new government and the President ordered the political parties to create a consensus government. At the time of writing this report, the Legislative-Parliament had failed to elect a prime minister after five elections and Madhav Kumar Nepal remained the caretaker prime minister.

Disqualified Maoist combatants were released from the cantonments in February 2010 and United Nations Mission in Nepal (UNMIN) was extended again. A significant step forward was made in the peace process when more than 4,000 disqualified combatants were released from the cantonments under UNMIN supervision. The combatants were those verified by UNMIN to be either under the age of 18 when they were recruited or those who joined the People's Liberation Army after the ceasefire was signed in May 2006. This was a noteworthy accomplishment for the peace process, as it signaled that the UCPNM was willing to take a step toward de-militarization. Other attempts to begin to integrate or rehabilitate the remaining 19,000 combatants were unsuccessful.

UNMIN played an active role in monitoring and reporting on the activities of the Nepal Army and the Maoist combatants. However, it was often criticized by many political parties for overstepping its mandate. Despite this, UNMIN's mandate was extended through September 15, 2010. At the time of writing this report, the debate on yet another extension was still ongoing.

The country continued to experience multiple national and regional protests and several acts of politically motivated violence, especially against the media. The past year saw the continuing use of regional and national *bandhs* (transportation and market closures) by politically motivated groups. Several ethnic groups organized street protests and *bandhs* throughout the year in an attempt to pressure the government to include their demands in the new constitution. Ethnic-based political groups in the Eastern region including the various Limbuwan, Kirati, and Kochila organizations closed down the region's roads and markets on numerous occasions. Tharu organizations were active in the western and far-western *terai*. Other larger organizations, like the Nepal Federation of Indigenous Nationalities, carried out nationwide protests as well. Political parties, especially the UCPNM, used national and regional *bandhs* and protests throughout the year. Protesting against the government, the UCPNM held a series of rallies and events in December 2009 and May 2010 including a six-day nationwide shutdown. UCPNM cadres were able to keep the most vehicles off the roads throughout the country. Schools, industries, and government offices were largely closed as well.

Violence against media continued throughout the past year. The Federation of Nepalese Journalists reported that the past year saw more than 170 acts of violence against journalists, which showed little improvement from the previous year. The publisher of a large daily newspaper in Dhanusha and a media entrepreneur in Kathmandu were murdered without a known motive. Several journalists working outside of Kathmandu were attacked by politically-affiliated groups throughout the year for reporting on stories that did not show the political organization in a good light. In addition, the chairman of the UCPNM condemned the media's reporting of its protests in May 2010, which led to several acts of violence against journalists in Kathmandu by party cadres.

The unstable political and security situation affected local governance and development throughout the country. Local development was negatively affected throughout the country due to the poor security situation. Threats against local government officials by various criminal and political groups resulted in the mass resignation of village development committee (VDC) secretaries in multiple districts around the country. In their role of local government representatives, VDC secretaries facilitate the local development process, so their absence often meant that development projects were halted or delayed. Although the government pledged better security, several VDC secretaries were abducted, beaten, or murdered during the past year.

In addition, the central government reduced the amount of development funds appropriated to several districts as they failed to meet the government's minimum standards for transparent local development planning and implementation. Reports of widespread corruption around the use of local development funds were also prevalent.

II. NTI HIGHLIGHTS

A. NTI Grant Activity Summary

During the reporting period, NTI cleared 106 new activities with grants totaling \$3,360,698:

- \$2,309,789 focusing on community stabilization
- \$716,647 focusing on key political transition agreements and processes
- \$136,316 focusing on media strengthening
- \$197,946 focusing on elections

The Janakpur field office contributed to clearing 44 grants for \$1,471,000; the Kathmandu office cleared the remaining grants.

Since August 2006, NTI has funded 427 small grant and technical assistance activities², totaling \$14,305,596. As reflected in the following table, NTI activities are distributed among five main “Sectors:” social inclusion (3 percent)³, elections (9 percent), key political transition agreements and processes (29 percent), community stabilization (51 percent), and media strengthening (8 percent).

Grants Committed by Sector*

Sector	Grants Cleared September 2009-August 2010	Estimated Budget for Grants Cleared September 2009-August 2010	Grants Cleared Since August 2006	Estimated Budget for Grants Cleared Since August 2006
Social Inclusion	0	\$0	17	\$375,120
Elections	1	\$197,946	28	\$1,258,624
Key Political Transition Agreements and Processes	24	\$716,647	126	\$4,100,987
Community Stabilization	74	\$2,309,789	222	\$7,426,103
Media Strengthening	7	\$136,316	34	\$1,144,762
Total	106	\$ 3,360,698	427	\$14,305,596

*Data as of August 31, 2010

The program sector concentration shifted dramatically after the completion of the CA elections of 2008 due to a shift in programmatic focus to community stabilization activities. The NTI program continued to place an emphasis on community stabilization activities over the past year. Given the lack of governance at the grassroots level and increased level of frustration with local institutions, NTI made substantial efforts to strengthen the working relationship between local government agencies and citizens. NTI focused these activities on districts which were especially susceptible to increased ethnic-based violence (i.e., eastern, central, and far-western *terai*). Thus, funding for community stabilization activities received the largest percentage of funds this year (69 percent). The Janakpur field office contributed

² This figure excludes the four grants implemented by USAID prior to the commencement of the Chemonics contract. Prior to Chemonics' arrival, USAID cleared four grants totaling \$25,587.

³ NTI no longer uses Social Inclusion as a standalone sector. Social Inclusion has now been incorporated as a cross-cutting theme for all grant activities.

the bulk of the community stabilization activities as the program continued to focus on local-level interventions.

With the peace process and constitution-writing largely on hold during the past year, emphasis on key political agreements and processes remained similar to the year before. While NTI supported 20 local radio stations during the past year and engaged in numerous media strengthening activities, total funding for the sector decreased from 13 percent to four percent. The main reason for this was NTI's focus on inexpensive activities with local radio stations and training journalists on the media code of conduct, rather than a complete shift away from media support. There was not an election in the past year so elections support was limited to one grant to Nepal's Election Commission for the purchase and distribution of portable generators to assist with the Commission's voter registration efforts. Annex A illustrates sector focus over the past four years of the program.

The shift to focus on more local governance activities has also meant NTI has used activities that address the program's second objective. Thus, the past year has seen the share of total program funds for objective two increase from 30 percent to 55 percent (Annex B). This trend is consistent with the past two years as NTI has continued to emphasize local-level engagement in the peace process over broader, national-level issues.

During this reporting period, NTI started programming in three new districts – Kailali, Kavre, and Udayapur. This decision was made after a series of district-level assessments made during the previous reporting period. The purpose of the programming in these districts was to address rising communal tension and the frustration caused by the lack of local development in districts where active ethnic-based protests were occurring. Much like the Madhesi movements in 2007 and 2008, there was worry that the tensions surrounding these legitimate movements could adversely affect the national-level peace process.

Based on the assessment trips, NTI expanded its programmatic focus to the eastern hill district of Udayapur and western *terai* district of Kailali. The purpose of engaging in these regions was to reduce tensions by raising awareness about contentious issues (e.g., facts on federalism, fundamental rights, etc.) and strengthening the relationship between communities and local government (e.g., awareness of citizen charters, increasing public participation in the local development process, etc.). It was assumed that by correcting false assumptions about contentious transition-related issues and fostering trust and cooperation between people and local government that the “temperature” can be reduced in these areas which lower the possibility of conflict during the constitution-writing period. In total, 13 grants were cleared in Udayapur and Kailali districts during this reporting period that trained and mobilized youth and women leaders in raising awareness on peace and communal harmony and also linking the concerns of local residents with government agencies, thereby promoting working relationships and accountability of government agencies toward the residents.

B. NTI Grant Activity Highlights

Community Stabilization

NTI program defines community stabilization broadly to encompass a range of activities addressing vulnerability to conflict at the grassroots level. During this reporting period, NTI cleared 74 activities for \$2,309,789 – \$1,362,111 from the Janakpur field office and \$947,678 from the Kathmandu office.

NTI's approach to community stabilization focuses on two main thrusts — mobilizing youth to positively engage in their communities and rebuild trust between communities and their local government. Youth have always remained a critical factor for motivating Nepali communities to work in support of the peace process. However, youth are particularly vulnerable to recruitment by armed groups and other politically affiliated organizations. A peaceful future for Nepal will depend on communities' ability to channel youth civic involvement in positive ways and to support them in realizing their civic responsibility. Past experience has shown that youth are willing and able community leaders when provided an opportunity. NTI observed that youth living in the *terai* were willing to engage in the planning and implementation of local development activities.

Targeting youth, NTI initiated a three-pronged approach: mobilize youth to educate local communities on government services and improve local communities' access to public services, engage youth in local development planning process, and train youth on democratic principles and the importance of civic participation. NTI directly trained and mobilized 1,600 youth through 32 youth-



Locals in Sisahaniya VDC in Bara work with youth volunteers to rehabilitate a local school as part of NTI's *shramadan* activities.

focused grants to support in youth engaging their communities through local development planning, facilitating mobile government service camps, and other civic activities. By supporting youth in leadership roles and engaging them in peaceful social activities, NTI assumed that youth involved in these activities that aimed to empower communities would be less prone to engage in violent activities or activities that threaten social harmony.

Since the April 2008 CA elections, the Nepal government has not been able to reassert its presence locally despite high expectations of the people. At a time when the current political scenario was fraught with strong political rhetoric and deadlock among political parties, many Nepalis focused more on the issues that have an impact on their daily lives, namely local development. However, service delivery at the local level is poor to non-existent and there is increasing frustration and dissatisfaction with a lack of transparency and accountability in local institutions. Moreover, local residents are mostly unaware of the services provided by the local institutions. This is further exacerbated by the fact many government officials serving in the *terai* are residing in the district headquarters citing security reasons. As a result, local communities are deprived of basic government services and do not see their development needs being met, which continue to fuel frustration during this crucial time in Nepal's transition. To address this need, NTI initiated a three-pillar approach for strengthening local governance: 1) educate local communities on government services, 2) improve local communities' access to public services, and 3) engage youth in community development activities.

While a focus on youth has been a main priority, NTI has worked in eight broad activity areas with its community stabilization activities.

Building awareness about local government services. During this reporting period, NTI cleared 11 activities covering 143 VDCs of Udayapur, Siraha, Sarlahi, Kailali, and Mahottari

districts that trained and mobilized 280 youth and 96 female leaders to orient respective community members on standard local governance procedures and provisions as specified by Citizen Charters⁴. Around 40,000 community members participated in these orientations sessions in almost 1,300 wards of 143 VDCs. NTI also printed and disseminated more than 40,000 copies of Citizen Charter booklets and posters to educate people on the provisions. NTI also supported wall-painting and billboard installation on rights provided under the Citizen Charter in 168 VDCs of Udayapur, Saptari, Siraha, Sarlahi, Dhanusha, and Mahottari districts. Local government offices welcomed these activities and oftentimes contributed time and materials to installing the billboards or painting the messages on their buildings. These activities also organized public hearing sessions in the selected VDCs which provided opportunities for communities and local government agencies to reduce misunderstandings and to encourage transparency of government line agencies.

Increase access to government service delivery.

Similarly, NTI partnered with nine local nongovernmental organizations (NGOs) in four *terai* districts (Siraha, Mahottari, Kailali, and Sarlahi) and one hill district (Udayapur) to conduct mobile VDC service camps in coordination with VDC secretaries and local communities in order to strengthen local governance and improve access to government services. The camps hosted VDC secretaries and other local government officials in rural areas where they could provide services directly to communities in the field. In many cases, these activities provided an opportunity for local communities for the first time. NTI supported 136 mobile service camps in 56 VDCs where 18,000 people were able to receive basic government services. The services included citizenship card applications, birth certificates, marriage certificates, death certificates, and disability certificates among others.



As many as 1,400 people attended this service camp in Pathraiya VDC, Kailali. People received much-needed basic government services and informative materials on citizen charter, the constitution, federalism, etc. Other partners used the venue to provide information and services relating to health, education, and agriculture.

The citizen charter and service camp campaigns not only engaged grassroots people but also provided an opportunity for local government officials to improve their working relationship with the communities they serve. The presence of VDC secretaries in these activities was astounding as more than 80 percent of these meetings had involvement of VDC secretaries. This presence is in itself a great achievement at a time when most of the VDC secretaries in *terai* are often unwilling to travel outside of the district headquarter due to security



Youth in Hakpara VDC in Siraha volunteer their time to repair a rural road as part of NTI's youth in governance activities.

⁴ Although each government office has a Citizen Charter that describes planned activities and services to be provided by the respective entity, local people are often unaware of this information. In 2008, NTI supported an activity to reinvigorate the charters through the production and dissemination of easy-to-understand booklets, which were effective in educating youth and local residents in *terai* districts on the provision of charters.

concerns. In a vast majority of the cases, VDC secretaries supported the camps fully as they saw that it assisted them in increasing public awareness of the services available at VDC offices and the processes for making use of them. The activity thus helped minimize unnecessary pressure on the VDC secretaries, as it reduced the numbers of people arriving without documents and demanding services that the secretary could not provide.

Increased public participation in the local development planning process. The government of Nepal has doubled the amount of money to be used for local development, yet there is no formal mechanism to receive public input on how to spend this money. Per the Interim Constitution, political party representatives are responsible for working with the local government to determine the development priorities and their implementation. In NTI's working area, there is little to no public participation in this process which fuels frustration at the local level. To facilitate relationship between local institutions and residents, reduce misunderstanding, and increase participation of rural people in local development processes, NTI cleared six grants that engaged local youth in reaching out to 1,620 wards of 180 VDCs of four *terai* districts (Siraha, Saptari, Sarlahi, and Bara) and one hill district (Udayapur) in an attempt to bring local communities together for identifying their local development priorities. In each VDC, these youth formed a nine-member committee, known as a youth mobilization committee (YMC), which took the lead in consulting with their communities and compiling the community priorities for local development. On average, each VDC came up with a list of 15 local development priorities which were publicly shared with concerned local government officials to get their commitment for implementation of these activities.

Based on the lessons learned from past similar activities, NTI also provided small material assistance (approximately \$400) to support 30 projects. Projects chosen were those demonstrating high levels of community involvement and where local government officials were actively engaged. The purpose was to support those communities and local government officials that were working together. Although NTI committed to provide material assistance to only 30 small-scale development projects in 180 VDCs, there have been numerous cases where most of the prioritized activities by the communities were included for discussion at the VDC council meetings⁵, while some are already in progress through financial support from the VDC offices and other government line agencies. In some VDCs of Saptari, even the VDC secretaries and local-level political parties voluntarily contributed their own time and labor to the *shramadan* activities.

These activities empowered local communities to approach their local government officials and political party representatives about participating in the development planning process and have put pressure on the VDC Council to make priorities and planned projects public. In some VDCs, it has been observed that the VDC Council meetings were being conducted in the respective VDCs for the first time in many years. In the past, the council meetings were mostly conducted at the district headquarters without any involvement of community members. In some of the project sites, the VDC offices have approached YMC members to implement and monitor government-funded development activities that have been approved by the VDC Council. In other VDCs, the community development plans submitted by the YMCs were largely accepted as the official development priorities by the council.

⁵ VDC Council is an official government body at the VDC level that decides on the local developments activities for the upcoming fiscal year and allocate budget for those activities. Due to the lack of elected local government bodies, VDC Council meetings are mostly attended by local-level political parties and VDC secretaries will little community participation.

A major focus of community development activities was to engage local youth in educating communities on local development process and identifying their development priorities. Putting youth in the forefront, the activities aimed at linking community-based priorities to the concerned local government line agencies. These projects, led by youth, have been successful in promoting their role and importance in the communities. In fact, recognition and visibility of youth in local development activities was one of the key accomplishments of NTI-supported community development activities. Many cases have been reported where VDC secretaries have directly approached YMC members for the implementation of government-funded development activities; while one VDC secretary in Bara district allocated NRs. 100,000 for strengthening and making the local YMC functional. During reporting visits, several VDC secretaries have stated that the involvement of youth and community members for local development activities had made a more favorable environment for VDC secretaries to return back to the VDCs.

Educating political party leaders on participatory planning. During the implementation of community development activities, it was observed that involvement of local-level political leaders could generate more support from the VDC offices than those without them. One of the challenges was to convince local-level political leaders to cooperate with the youth in local development planning and implementation process. As the local leaders are key figures in managing VDC budgets there was a need to connect communities with local leaders. It was also noted that many local-level political leaders were not aware of participatory VDC budgeting and local development planning process. Based on these findings, NTI piloted two activities, one in Saptari and another in Sarlahi, that worked with 1,800 local-level political leaders to educate them on the local development process, democratic decision making, and good governance. This activity was implemented in 90 VDCs where NTI had supported community development activities. NTI assumed that building capacity of local-level political leaders and initiating two-way dialogue between communities and their leaders would promote political accountability, democratic decision making, and stronger working relationships among communities, political leaders, and government agencies.

Positive youth engagement through sports. At a time when youth in the country are divided over ethnic lines, sports often provide normalization and a safe space where youth and other community members can interact. During this reporting period, NTI cleared three activities in Udayapur, Saptari, and Mahottari districts that used sports — in these cases, soccer — as an independent and politically neutral medium to engage and attract youth of diverse ethnic backgrounds to promote peace, cooperation, and social harmony. NTI supported friendly soccer tournaments engaging 26 local soccer clubs and students from 16 schools in these districts with the overall theme of peace, volunteerism, harmony, and friendship. The soccer players were also trained on democratic norms and values, conflict mitigation, non-violence, and role of youth in peace process. Before the start of actual soccer matches, players from competing teams were engaged together in cleanup campaigns as a way to promote the importance of unity among different ethnic groups. Soccer tournaments often provided a good venue to disseminate crucial transition information to the public.

Promoting democratic principles with youth. Youth, especially high-school and college students, are under a great deal of pressure from armed groups, political parties and politically-affiliated youth groups to join their ranks — many of whose activities pose a threat to Nepal's peace process. In the past year, numerous clashes among youth and student wings of political parties were reported. To address this trend, NTI expanded its 'youth in democracy' initiative with six grants that used Universal Declaration of Democracy as the

basis for facilitating discussion among 500 college-aged youth members of various political parties and 2,500 high-school students in Dang, Bardiya, Banke, Kailali, Mahottari, Sarlahi, and Dhanusha districts. The activities were designed to increase common understanding and acceptance of divergent views among youth members through better understanding of democratic principles. The initiative mitigated conflict among student groups during campus elections as students used their experience to solve problems before disagreements escalated. Under this initiative, NTI also printed and disseminated more than 15,000 copies of the Universal Declaration of Democracy booklets.

This initiative was coupled with mobilization of the students to ‘live’ the idea of civic participation by conducting city beautification activities, door-to-door awareness campaigns, or peer education classes. The training events not only taught the basics of democracy, but emphasized how a democratic process allows everyone a voice. The training itself gave youth the necessary background, but the civic participation activities showed them the positive role that citizens could play in their communities. It also reminded youth that Nepal’s political transition needs their constructive participation in order to succeed. In Sarlahi, Kailali, and Udayapur districts, the school students were also mobilized to conduct various “youth fairs” coordinating with local businesses entrepreneurs, educational consultancies, local financial institutions, vocational training institutions, and government agencies. These fairs featured local music, drama and cultural performances by various ethnic communities, and stalls of the participating organizations. NTI took advantage of these events to disseminate information on peace and democracy and updates on the CA. These students’ civic participation activities not only provided a service to their communities, but also raised the profile of youth in their respective communities.

Positive political participation through cultural events. NTI thinks using songs, poems, street dramas, and other cultural events are excellent mechanisms for energizing and engaging communities. Street dramas and other cultural events have always been a popular mechanism for disseminating messages to audiences in Nepal. These programs have a strong potential to gather large groups of people where information dissemination is more easily accomplished and these events create an environment among different ethnic groups to respect and people recognize each others’ culture, thus bridging the differences among communities. NTI’s past activities have already shown that cultural programs with active community involvement from diverse ethnic backgrounds increase their positive participation in stabilizing their communities from possible ethnic violence. As experience has shown over the past year, post-conflict communities assimilate and appreciate these messages more when they are delivered via cultural events than through classroom-style training and workshops.



In Sarlahi district, communities engage in a cultural program to encourage communal harmony.

During this reporting period, NTI cleared five new grants with several new methodologies to conduct musical and cultural events to encourage communal harmony among different ethnic communities and increase awareness on the peace process. NTI recently cleared an activity that supports a *Chaubatiya* song campaign in Dhanusha and Mahottari districts through

which performers will address the need to improve communities' understanding of unresolved and contentious constitutional issues, particularly federalism. *Chaubatiya*, which is a traditional Mithila cultural practice similar to street dramas, is a popular cultural tradition in the *terai* where information is disseminated through singing and dancing. Through a *Chaubatiya* song campaign, people will be encouraged to promote peace and harmony in their communities, realize their roles and responsibilities in the constitution-writing; and to think realistically about complex constitutional issues such as federalism. NTI's past *Chaubatiya* song campaign in 105 locations in Dhanusha district alone garnered around 42,000 people to watch the performances.

Communal harmony through shared religious traditions. NTI has always quickly recognized and capitalized on the windows of opportunity to disseminate critical information on the political transition to large mass of people.

The *Dashain* festival in September/October is one such opportunity where people from all over the country travel back to their home villages to celebrate a series of festivals. In 2009, recognizing the close dates of the beginning of *Dashain*, International Peace Day, and the Muslim festival of *Eid-Ul-Fitr*, NTI cleared three grants that mobilized youth and women leaders in Sarlahi, Mahottari, and Saptari districts to organize various social and educational events through various interfaith activities.



Leaders from the Hindu, Muslim, and Christian communities gather together in Mahottari district to discuss the importance of tolerance and communal harmony.

These activities organized peace rallies, interfaith dialogues, peace stalls, and peace banquets in an attempt to foster peace and mutual understanding among diverse ethnic and religious communities. The activities provided opportunities to Hindu and Muslim communities to celebrate the festivals together, exchange blessings, and start a dialogue at the local level on social and political issues affecting their communities as well as on ways to work together for the betterment of their communities. Religious leaders and civil society leaders claimed that these activities were the first time that they had celebrated Hindu and Muslim festivals together including giving blessings to each. The activities were covered by local FM stations and newspapers along with articles and photographs. The local FM stations also produced a live broadcast of the inter-faith dialogues.

Connecting citizens to local government through radio. Although all Nepalis are interested in the peace process, the political stalemate at the national level and delay in the constitution writing has increased frustration of public toward the political parties. The public is more concerned with local issues that affect their daily lives. As highlighted by various partner radio stations, radio programs on local issues were more popular than national political affairs as listeners saw direct impact of local issues on their daily life and thus tuned in more often. During this reporting period, NTI partnered with eight regional FM radio stations to produce and air 153 weekly radio talks shows highlighting issues that relate directly to district residents in Baglung, Myagdi, Parbat, Banke, Bardiya, Nawalparasi, Khotang, Rupandehi, Kailali, Surkhet, and Chitwan. NTI also provided equipment support to these radio stations, enabling them to increase their outreach capacity to conduct VDC-level radio discussions through remote studio-setups. Given the lack of government officials in most VDCs, these radio programs were often the only platform from which a common citizen would have direct

access to the government officials. On the other hand, government officials were able to clarify misunderstanding about complex processes such as land registration. Many radio stations covered geographically remote locations where the government officials had difficulty traveling often.

In one such case, a station in Banke district conducted a live program on local residents' concerns about a dilapidated health facility in a remote village. During the radio program, local residents voiced their concerns on the inability of the post to meet the healthcare needs of the community. These demands were heard by the district public health officer who committed to support the Phattepur health post and even construct a maternity ward. Within three months, the health post had been renovated and stocked with much needed medicines. The health office procured medicines worth NRs. 70,000 (approximately \$1,000). "Earlier, the health post always ran out of medicines but now they are readily available," stated 23-year old resident, Darshan Kumari Chaudhary. The number of patients visiting the post is estimated to be more than triple after the radio program and the subsequent renovation.



U.S. Ambassador Scott Delisi visits a community dialogue on the need for a better food security policy in the far western region conducted by a community radio station in Kanchanpur district.

Managing expectations through television. NTI also used televised serials and public service announcements (PSAs) to present information on the peace process. NTI utilized television in an effort to manage expectations after the CA elections. Popular in Nepal, comedy proved an effective mechanism for communicating political messages — particularly to audiences with lower literacy. NTI's support to the production of 12 episodes of the *Madan Bahadur/Hari Bahadur* television show focusing on expectation management regarding the constitution drafting process made a substantial impact in informing people on the new constitution through comedy. This grant was an extension of previous activities in which NTI had supported Nepal's leading comic duo Madan Krishna and Hari Bansha, renowned for their social messaging and respected for democratic convictions, to produce and broadcast 30 episodes of a comedy show. With a localized script infused with humor, the show explained complex concepts and terminology such as constitution, republic, federal structure, as well as the other transitional issues related to the evolving political context. The show was aired via two of the most popular national television networks of Nepal with very positive feedback from the audience.

Following the success of *Mero Jindagi, Mero Biswas* (MJMB) campaign in the past years, NTI cleared two activities that re-broadcast 26 episodes of MJMB through two national television networks. A total of five grants have been dedicated to MJMB since February, 2008. Within the past year, each MJMB television episode was rebroadcast as many as three times. The MJMB campaign, the Nepali adaptation of U.S. National Public Radio's *This I Believe* program, engaged 26 Nepalis in discussing the core values and beliefs that guided their daily lives. NTI assumed that by supporting broad outreach for a popular multi-media program it will encourage Nepalis to begin developing respect for belief systems different than their own. By understanding varying perspectives on what it means to be a Nepali in this post-conflict transition period, tolerance and understanding among people would be

encouraged. Several of the people highlighted by the program received significant recognition after being on the program. Arun Budha, one of the featured personalities of MJMB campaign, was awarded with Prakash Human Rights Award in 2010. Last year Uttam Sanjel, another MJMB personality, was a recipient of the same award in 2009.

The MJMB campaign capitalized on nearly every source of media in Nepal possible — newspaper, radio, television, and internet pod casts. It was this approach that made MJMB accessible to people throughout Nepal and all over the world. As per MJMB participant and Nepali journalist, Prashant Jha, “MJMB had a vast reach and created a buzz. It’s a pioneering project in Nepali media. It was published in *Kantipur*, the largest newspaper network in Nepal, and it was the first because it was sustained coverage of positive stories.” Based on the positive response on the MJMB, NTI also supported production of eight new five-minute MJMB PSAs featuring the beliefs of eight new individuals, which were then aired through a national television station, 30 regional radio stations, and a popular national newspaper.

Key Political Transition Agreements and Processes

During this reporting period, NTI cleared 24 activities totaling \$716,647 — \$108,888 from the Janakpur field office and \$607,759 from the Kathmandu office.

Following the Constituent Assembly election in April 2008, people hoped that the political parties and their 601 CA members would be able to draft a new constitution as scheduled by May 28, 2010. However, the political parties failed to write the constitution as per the schedule and the CA term was extended until May 2011. The majority of activities cleared over this reporting period focused on updating the citizens on the progress made by the CA’s thematic committees. The NTI program has addressed key political transition agreements and processes by disseminating information as broadly as possible through various media.

During this reporting period, NTI cleared 11 regional radio station grants in 11 districts throughout the country to produce and air 188 episodes of radio discussion programs to educate and update citizens on the progress made by the CA. The radio programs were targeted to inform the public on the provisions recommended by different CA committees in their draft concept papers and the debates on these papers by various political parties. These programs aimed at linking CA representatives and district-level political leaders to their local constituents in the targeted 11 districts. By initiating a two-way dialogue on the topics on which the new constitution would be written, NTI hoped to increase people’s positive participation in the political transition and thereby support the transition to peace in the country.

During the programs, CA members, constitutional experts, political leaders, and civil society leaders were invited to interact with callers to discuss those constitutional topics of most concern to local communities. The purpose of the programs was to inform local citizens about the recommendations made by CA committees in the draft concept papers and to broaden the debates on these topics. The shows also provided a valuable opportunity for CA members to interact with their constituents, local experts, and citizens. On average, at least one CA member participated in each show. Many local residents participating in the shows raised direct questions about the constitution-writing process to the CA members. In many cases, the participating CA members also appreciated the radio programming approach as it provided a forum to interact with the public. These radio programs allowed rural

communities to provide feedback on constitutional topics to the CA members while it also provided a forum for the CA members to deliver their message to their constituents. NTI also thought that much of the debate about the contentious constitutional issues happening among those people outside of Kathmandu and among the urban working class was not being heard in Kathmandu's decision-making circles. NTI cleared two unique radio programs to target these specific audiences. One radio program is holding public discussions in 16 different districts across the *terai* and mid-hills that will culminate into a 32 episode series that discusses the constitutional issues most relevant to those living outside of Kathmandu. These series will be broadcast by one of Kathmandu's most popular radio stations and 16 regional radio stations outside Kathmandu. In two previous grants, NTI partnered with a popular comedy-based radio station in Kathmandu to create the *Chiya Chautari* radio program. Set in a tea shop, a series of regular characters discuss political happenings as would normally happen in a common tea shop in Nepal. Each episode hosts a political or civil society figure that 'takes tea' at the shop and participates in the banter. The program infuses humor into contentious topics and is able to create awareness of CA issues without turning off listeners. The program has become the flagship series for the station and has proven immensely popular with taxi drivers, laborers, and shop owners who listen to radio while working. Using this brand, NTI expanded the series to take the 'tea shop' to bus parks, industrial areas, and squatter settlements around Kathmandu to hold dialogues with the public while recording the program. The purpose is to create more awareness about the CA with the program's audience. The 20-episode series will be aired in Kathmandu and via 23 stations around the country.

As the Comprehensive Peace Agreement (CPA) is still the universally binding thread that holds the peace process and political parties together, NTI cleared eight activities to coincide with the third anniversary of the CPA signing on November 21, 2009. NTI partnered with one of Nepal's most popular comedy duo, MaHa Sanchar, to produce six television PSAs on CPA-related themes. The PSAs aimed to remind relevant stakeholders of their responsibilities toward fulfilling the commitments made in the CPA and taking the peace process to a logical conclusion. The PSAs were aired through two of Nepal's most popular national television stations for three weeks in November. Within the first few weeks of airing, leaders of political parties and even media houses were found to be referencing the PSAs when analyzing the status of the CPA. Also, Avenues Television featured the MaHa PSA in one of its regular television programs to highlight the need of political parties to focus on the commitments made under the CPA.



Youth in Dhanusha district hold a rally on the third anniversary of the CPA signing to create awareness about the importance of completing the peace process.

NTI also supported five local partners in Jhapa, Saptari, Siraha, Dhanusha, and Sarlahi districts that mobilized communities, especially youth, in reflecting on the importance of furthering the progress made since the CPA. The week-long campaign featured peace rallies where youth organized marches through their respective towns, peace stalls where students distributed information about the CA and CPA, and CPA quiz competitions among local college youth. Communities in these districts enthusiastically participated in the peace rallies and peace stalls and local as well as national media outlets provided significant coverage of

these activities. These were the only activities held in these districts to remind the public of the CPA as neither the government nor political parties organized any activity to mark the CPA anniversary.

NTI also supported a traveling photo exhibition documenting the suffering experienced during Nepal's 11-year insurgency. The images, most taken by Nepali photographers, reminded the people of Nepal about the costs of war and motivated viewers to collaborate on peaceful solutions during the current political transition. The photo exhibition, featuring conflict and post-conflict images, traveled to seven different districts and focused on the significance of the CPA with an aim of raising awareness on the current status of the peace process. Approximately 112,500 people visited the events and the tour 'opened' on the anniversary of the CPA signing by announcing the permanent exhibition of the photos at a private museum in Kathmandu. In addition to the photo exhibition, NTI supported the production of four music videos on peace and patriotic themes. These videos were aired via popular video call-in shows on three national television stations and webcast from various web portals. As of March 2010, these songs were aired more than 150 times via television stations. The videos were most requested and aired during the week-long *bandh* staged by the UCPNM during the week of May 1, 2010.

A large portion of Nepal's population is under the misconception that once the constitution is promulgated, all citizens' demands will be fulfilled and their grievances will be remedied, particularly after the constitutional endorsement of federalism. In addition, the government's reach in raising awareness on the constitution-making process at the grassroots-level has been minimal due to a variety of reasons. Thus, due to misinformation and lack of education, the public has been disillusioned with the constitution-drafting process and the probability of protests after the release of the first draft of the constitution is high. In such context, NTI produced around 50,000 pocket-sized booklets titled *New Constitution: Expectation and Reality*, which were distributed to all the current NTI partners and media outlets throughout the country. The booklet, produced in a question-and-answer format, contains answers to 100 constitutional issues in simple language. The booklet presents a brief history of constitutions of Nepal and presents a more detailed examination of the core purpose of a constitution, democratic values, and human rights benchmarks, as well as information on the current drafting process. The booklet was officially released in January in the presence of the CA speaker and other high-level political and civil society representatives. Similarly, based on the content of the booklet, three posters and one brochure in pictorial format were produced to help simplify the contents further. In addition to the booklet, 60,000 posters and brochures were printed and distributed nationwide.

The concept of federalism has remained one of the most contentious issues as Nepal moves forward with the writing of the new constitution. Although the CA Committee on Restructuring the State and Distribution of State Power is still holding discussions on the future federal model, political and ethnic groups have unilaterally declared federal states based on ethnicity, which has created tension and confusion. While there is significant information about federalism being produced by and for the educated and politically aligned decision makers, little information has filtered to those outside of Kathmandu. To address this need, NTI cleared an activity featuring experts answering a series of questions about federalism and other related constitutional topics in a CD format. At the writing of this report, three audio CDs have already been produced with each audio CD containing seven to 10 questions answered by one or more constitutional experts. To date, NTI has distributed more than 1,000 copies of the CD, titled *What is Federalism?*, by one of Nepal's most recognized

and neutral constitutional experts and 50,000 copies of its transcript to local NGOs and media partners throughout Nepal. In its monitoring efforts, NTI found that nearly every radio station contacted has used the information to educate its journalists and has played the information during their programs. In most cases, the stations have used the information multiple times. NTI has received numerous requests for similar information by the stations and will continue with the audio sessions in the coming year. NTI assumes that developing audio CDs will contribute to the process of constitutional development in Nepal by expanding access to crucial information. It will also help to alleviate misconceptions of critical issues in the new constitution, and help the government of Nepal manage expectations prior to the release of the draft constitution.

In addition to the CD sessions above, NTI created activities that mobilized youth to educate their communities on complex constitutional issues such as federalism. NTI cleared four grants as part of its civic education campaign in which 130 youth will be trained and mobilized to hold regular dialogues with 2,000 college-aged students of 64 schools in Mahottari, Siraha, Sarlahi, and Udayapur districts. The youth will provide basic information on federalism and other topics using a series of trainings, public speaking events, and drawing competitions. These activities utilize information packets on the basics of the constitution and federalism developed by NTI to ensure the accuracy and neutrality of the information being disseminated and discussed.



Students in Udayapur discuss the basics of federalism as part of NTI's efforts to raise awareness about contentious constitutional issues.

During this reporting period, NTI supported the production of 12 editions of a CA supplement in *Himal Khabarpatrika*, a popular fortnightly Nepali magazine, for a total of 60,000 copies. The articles in the supplement covered reporting from the grassroots and experts' opinions from selected districts representing the mountains, hills, and *terai* from the east to the west of the country. These articles served as reference materials on federalism and constitutional dialogue for various media organizations and journalists. The supplement targeted educated middle class individuals, political party cadres at the national, district, and local levels, students and teachers, civil servants, and NGO personnel. Earlier in late 2008, NTI supported the production of 24 editions of the CA supplement that played a vital role in setting the agenda and steering debates on the constitution. There were reports that many journalists were using excerpts from the supplement in producing their own constitution-related articles and programming. As the deadline for writing the constitution approached, NTI cleared a grant to conduct a nationwide poll in 38 districts to gauge public opinion on selective issues key to the political transition. The survey results were published in the last CA supplement of *Himal Khabarpatrika* and the release came one day before the UCPNM had called a nationwide *bandh*. The results stirred public debate and were quoted by politicians and pundits alike for weeks after its release.

Building upon the success of the *Mero Jindagi, Mero Biswas* (My Life, My Belief) campaign, NTI partnered with renowned television producer Vijay Kumar Pandey to produce a unique 12-part television series linking issues related to Nepal's political transition to the

daily lives of ordinary people. Mr. Pandey is one of Nepal's most prominent television journalists and was the host of the NTI-supported *Mero Jindagi, Mero Biswas* campaign. Building on the same brand, NTI funded the production of *Thula Bhram, Satya Sadharan* (Big Myths, Simple Realities) which is a travelogue where Mr. Pandey, as the host, travels throughout the country and discusses political transition issues with people from all walks of life. This series attempts to show viewers the commonalities among people across the country as they each discuss the same political issues and also raise awareness about the complex challenges that lay ahead in the peace process. At the writing of this report, the first four episodes have been aired via Nepal's two most popular television stations. In addition, each episode is uploaded to Nepal's most visited online information portal, www.nepalnews.com. Even at the initial stage, nepalnews.com recorded more than 20,000 downloads of the first two episodes, in addition to hundreds of email from viewers both in and outside of the country. NTI assumes that this activity will reinvigorate the public to engage in the peace process positively, thereby leading to greater stability in the future.

Media Strengthening

During this reporting period, NTI cleared seven new grants totaling \$136,316, all of which were from the Kathmandu office.

The media and its use in disseminating key messages has been one of the strongest focuses of the NTI program. NTI's media strategy has addressed three broad activity areas: 1) improve the capacity of journalists and media outlets, 2) enhance the two-way flow of information between Kathmandu and other regions, and 3) increase access to media in underserved regions and populations. Consistent with this strategy, NTI focused on strengthening the capacity of individual journalists and radio stations over the past year.

Media, especially journalists outside of Kathmandu, has played a pivotal role in Nepal's road from conflict to constitution writing. The media's expansion has meant the public receives much more information via local newspapers and radio stations. Although access to information has increased for the public, accurate and balanced information on debates in the CA has been difficult to access for journalists outside of Kathmandu. In an attempt to bridge this gap, a local NTI partner organized exposure visits to Kathmandu for 55 journalists from 18 *terai* districts. The journalists spent three days learning about the CA and the process by which its members are writing the country's new constitution. Designed as an education tour, rather than a conventional in-house training, the journalists met with the prime minister, the speaker of the CA, the chairman of the CA Constitutional Committee, and multiple constitutional lawyers. They learned about recent constitutional developments and held discussions with their respective CA members. The journalists were also exposed to the various resource centers available in order to be able to keep themselves updated with CA-related information while they are in their home districts, including the Centre for Constitutional Dialogue managed by the United Nations Development Programme. In nearly all cases, this was the journalists' first exposure to first-hand resources on the constitution-writing process. In response to a question on why this information was useful, one Mahottari journalist stated, "There is a need to inform the public about the progress made by the CA as there are a lot of rumors surrounding the constitution writing process." Others stated that the tour helped them get an in-depth understanding of the progress and challenges of constitution-writing and taught them to identify reliable sources of information to access after they returned to their districts.

Nepal's tumultuous political situation has also affected the performance and challenged the ethics of its journalists and media outlets. The problems have been further compounded by increased numbers of untrained journalists and protests by various ethnic groups or political parties against perceived negative or biased reporting. Several journalists have been threatened, attacked, and even murdered in the past year. In response, NTI trained 55 FM radio journalists of the eastern region on responsible journalism and the media code of conduct to reinforce journalists' understanding of their professional responsibilities. This activity also aims at updating the media code of conduct developed in 2008 with NTI funds. The code of conduct is a self-regulatory code of conduct for journalists and was developed through a series of national and regional workshops involving 500 media personnel of 141 radio stations. NTI assumed that the promotion of a media code of conduct would enhance the stability and safety of the media sector in Nepal.

With now more than 30 partner radio stations throughout the country, NTI media strengthening activities are also focused on improving the capacity of journalists and increasing the technical capacity of radio stations. During this reporting period, NTI provided a two-day training to 36 journalists from 18 NTI partner radio stations in Kathmandu. The training was conducted by Jay Allison, an independent U.S. broadcast journalist. Mr. Allison is well known for his role as the creator and producer of *This I Believe* on U.S. National Public Radio. The training provided an opportunity to enhance the skills and knowledge of NTI's Nepali radio partners, who are leading Nepali media organizations throughout the country in producing creative content designed to increase people's positive participation in the peace process. Mr. Allison's visit to Nepal was featured in the January 15 edition of *My Republica*, a popular English daily. (The story can be accessed at http://theweek.myrepublica.com/details.php?news_id=14073.) Many of the partner radio stations have already initiated localized versions of *This I Believe* after attending Jay Allison's training. Samad FM in Siraha has initiated a program *Hamar Jindagi*, *Hamar Biswas* (My Life, My Belief), a localized Maithili adaptation of the *This I Believe* program.



Journalists in the eastern region discuss the media's role and responsibility in Nepal's transition process.

During this reporting period, four regional radio cluster workshops for 30 NTI radio station partners were conducted in April and June 2010 in Morang, Dhanusha, Banke, and Chitwan districts to improve the editorial and technical qualities of NTI-funded radio talk shows. Three participants from each radio station, directly engaged in NTI-funded radio programs, were invited to attend, of which two were radio hosts and one was a radio technician. The editorial component of the workshop was covered by a former producer for U.S. National Public Radio's live talk show, *Talk of the Nation*. Because the editorial components of the workshops were based on the standard operating practices of *Talk of the Nation*, it allowed the radio stations to listen and discuss some of the standard practices that could be implemented in the Nepali context for production of creative and professional talk shows. Similarly, an expert radio technician covered the technical portions of the workshop. The workshop proved supportive in engaging radio journalists in producing simple, professional, and sustainable practices that they could use to improve their talk shows.

Elections

During this reporting period, NTI cleared one grant totaling \$197,946 from the Kathmandu office.

Although the 2008 CA elections in Nepal were generally considered free and fair, the current voter registration process is dependent on an outdated voter roll. To remedy this, the Election Commission is implementing a new, higher-tech voter registration process that will collect photographs and fingerprints for each registered voter. This should prevent duplicate registrations and ensure more integrity of future elections. In order to be prepared for a possible election in 2011, the project needed to begin by September 2010. The schedule for registration is tight and any delays could mean that certain parts of the country might be left out of the process. However, due to the lack of regular electricity in the country, the Election Commission cannot carry out the new voter registration without an alternative power supply.

To meet the urgent need of the Election Commission, NTI procured 400 portable generators for use in mobile voter registration centers. Following the handover, the regional staff of the Election Commission received an equipment handling training. This procurement will enable the Election Commission to effectively and efficiently update its voter rolls and prepare for the next elections anticipated in 2011. By improving the quality of the voter rolls, there will be less opportunity for manipulation of elections and more confidence in the election system. NTI assumes that by improving public confidence in the election system, Nepalis will support election results, which is key for a peaceful transition of power in democratic systems.

C. Indicators of Success

Speed

In the past year, NTI conducted several activities that highlight the ability of the program to quickly recognize and capitalize on opportunities. NTI received approximately \$354,000 in 1207 funding at the end of September 2010 following a decision by USAID to continue activities that mobilized youth for small-scale infrastructure activities in the *terai*. NTI had committed all of the additional funding and started activities in four districts within two and a half months of receiving the funding.

In March 2010, USAID requested that NTI print and distribute two sets of informational materials on the CA and federalism through their network of health volunteers that were to be deployed for a Vitamin A distribution campaign. NTI was able to print 25,000 copies of each and package the materials within three weeks of the request.

In anticipation of potential violence during the nationwide strike called by the UCPNM for the first week of May 2010, NTI preemptively created new television PSAs and bought air time to rebroadcast past PSAs that encouraged patience, communal harmony, and non-violence.

In the weeks leading up to the constitution-writing deadline, NTI worked with its radio station partners to create a list of pre-approved topics that the stations could use to inform listeners about the CA process and encourage patience. During the tense weeks leading up to the CA deadline, NTI had reoriented more than 20 stations which serviced more than half of the population to air programs encouraging patience and communal harmony. During the

same time period, NTI funded a rapid opinion poll with a leading Nepal weekly newspaper to gauge the public's views on key transition-related topics. The paper was able to release the results days before UCPNM was to start their nationwide protest program. The results were widely quoted by several political leaders and analyzed by the media in many outlets. In the days following the release of the results, several prominent leaders used the results of the poll in their speeches to encourage the country to move forward per the people's wishes.

After a week-long assessment of the eastern *terai* in June 2010, the program identified several priority issues that needed urgent attention, namely more federalism awareness among youth. By mid-July 2010, the Janakpur field office had designed and cleared five new grants in five districts that mobilized campus-level youth to create better awareness about the basics of federalism in their communities.

In late July 2010, USAID requested that NTI support the Election Commission by procuring 400 portable generators. The generators were to be used to power voter registration kits (i.e., laptops, fingerprint scanners, lights, etc.) as the Election Commission deployed teams throughout the country to update the voter registration roll. Within three weeks of the request, NTI was able to work with the selected vendor and deliver 400 generators to multiple locations around the country. The timely procurement allowed the Election Commission to meet their scheduled start date of September 15, 2010.

Re-targeting and Flexibility

For this reporting period, NTI closely monitored the political transition through quarterly strategic review sessions where staff worked to realign activities based on the immediate need. As mentioned in Section II, the program also undertook a series of 18 district assessments in order to ensure that it was focusing on the areas that were most prone to conflict and had the potential to upset the peace process. These assessments led to the decision to begin programming in Udayapur, Ilam, and Kailali districts to address ethnic tension and lack of governance in these areas. As a consequence, NTI also reduced its programmatic focus on the central *terai* districts of Parsa, Bara, and Rautahat in order to ensure that the team could adequately manage the new areas.

NTI's media strategy has consistently supported information dissemination networks that display flexibility in response to the ongoing transition process. The program supported radio call-in shows and television shows that address current transitional issues at the local and national level. Because radio and television guests are scheduled each week and stations can address rapidly evolving transition issues, these programs continue to gain listenership as the public has proven receptive to using this forum to speak with their CA members as well as local government representatives. But when heading to the May 28 constitution writing deadline, NTI recognized that it needed to adjust its existing radio programs to ensure that the programs would not harm the politically sensitive situation by creating a forum for political parties to spout only their respective positions. Instead, NTI contacted all radio partners and worked with them to create a series of program topics that would help calm the situation. In addition, NTI created three grants during the program period that would allow the program to quickly create new PSAs, air past PSAs, or print materials needed for rapid dissemination. As evidenced by the number of activity modifications, the program focused much effort on re-targeting its current grants to respond to the situation rather than create new grants.

NTI also responded to reports that communal tension was increasing in Kavre district between Tamangs and Newars by designing an activity with a local radio station to create cultural programs in 10 areas that would help build understanding and tolerance between the two prominent ethnic groups. The programs will be broadcast and will include recorded voices from the audience on the importance of tolerance in Nepal's transition. This activity was identified and designed soon after a rapid assessment of the district's political situation and was the first NTI activity in the district.

The NTI program actively looked for new and unique ways to distribute information on a key contentious issue – federalism – in a potentially volatile area. *Chaubatiya* is a cultural tradition in the *terai* that combines storytelling and information dissemination with singing and dancing. NTI worked with a local acting troupe in Dhanusha and Mahottari districts to combine this tradition with modern political topics. *Chaubatiya* allows information to flow to illiterate people and marginalized communities throughout a volatile region on a topic that is politically sensitive.

In June 2010, NTI held a series of meetings with staff and the program's short-term media advisor to discuss lessons learned from working with local radio stations over the past year. A set of recommendations were identified that built on the program's experiences, better matched the capacity of NTI's partner stations, and addressed the needs of the political transition. The program used these recommendations to create new radio programs for the coming year.

Community-Based Activities

In the past year, NTI emphasized community-based programming to a larger degree as it better met the needs of the political transition. There was little movement on the peace process and constitution writing at the national level. Therefore, NTI increased the number of activities that focused on local governance and constitutional awareness at the district and VDC level. NTI created local governance clusters in several districts and emphasized the integration of activities to complement one another.

Two out of NTI's three programmatic teams focus almost exclusively on creating community-based activities for their respective working areas. As mentioned above, NTI shifted its geographic focus to adjust to the political transition needs, but the activities remained focused on increasing local-level engagement. New partners are chosen based on their reach into local communities. NTI's best practice has been to work with smaller, local organizations rather than national-level organizations when attempting to engage communities at the district or VDC-level.

NTI continues to operate as a field-based program despite most of its staff being based in Kathmandu. Staff regularly travel to the field to monitor activities and keep tabs on the sentiments of the communities in our working areas. The project continues to work with several organizations that have a wide reach and network at the community level, which makes it possible for the program to operate despite an unstable security situation, particularly in the eastern and central *terai* where programming can be difficult to implement otherwise.

D. Indicators of Impact

NTI's local governance activities have attempted to rebuild trust between communities and local government in multiple districts considered to be politically sensitive. In Udayapur, Siraha, Sarlahi, Kailali, and Mahottari districts, NTI trained and mobilized 280 youth leaders to orient respective community members on standard local governance procedures and provisions as specified by "citizen charters", the citizens' rights to local government services. Around 40,000 community members participated in these orientation sessions in almost 1,300 wards of 112 VDCs. Similarly, local youth volunteers were mobilized to conduct mobile service camps in 150 VDCs in coordination with VDC secretaries and local communities. The citizen charter and service camp campaigns not only engaged grassroots people but also re-engaged government officials to see the benefit in providing efficient services to the public, while improving relationships between government entities and their constituents. In most cases, the service camps provided an opportunity for local communities to receive basic services for the first time without a long and sometimes expensive trip to the district headquarters. One 3-day camp in Udayapur alone saw 466 people receive services such as citizenship application, marriage, birth, and death registration, among others. The presence of government officials in these activities was an impressive 80 percent as VDC secretaries and other officers were eager to participate. This presence is in itself a great achievement at a time when most of the VDC secretaries in Nepal are operating from district headquarter citing security concerns and are oftentimes unwilling to travel to their working areas.

NTI, through local partners, has engaged youth in reaching out to 1,620 wards of 180 VDCs of four *terai* districts (Siraha, Saptari, Sarlahi, and Bara) in an attempt to bring local communities together to identify their local development priorities. In each VDC, these youth formed a nine-member youth committee, commonly known as a youth mobilization committee, which took the lead in compiling the community priorities for local development. Putting youth in the forefront in local development planning, NTI activities aimed at linking community-based priorities to the concerned local government line agencies. These projects, led by youth, have been successful in promoting youth's role and importance in the communities. In fact, recognition and visibility of youth in local development activities was one of the key accomplishments of these activities. Many cases have been reported where VDC secretaries have directly approached YMCs for the implementation of government-funded development activities. In Chinnamasta VDC in Saptari, not only has the VDC Council approved the development priorities compiled by the YMC, it has even mobilized the YMC to implement and monitor two of the projects.

NTI's youth in democracy initiative trained nearly 600 campus-level students in nine districts on the basics of democracy and how civic participation is a core element of a democratic system. After the training, the students designed and implemented their own civic participation activities which included sanitation campaigns, small health clinics, and traffic awareness activities among others. These activities not only provided a service to their communities, but also raised the profile of youth.

III. ACTIVITY IMPLEMENTATION AND PROBLEMS ENCOUNTERED

A. Summary of Activity Implementation and Appraisal

Overall, the program cleared grant activities well with monthly burn rates maintaining a healthy average. The staff have worked to identify new partners and adjusted to new working districts well. In anticipation of a fifth year of funding, the program updated its program workflow documents and procurement system to ensure that implementation systems were adjusted for the final year of the program.

In December 2009, the program held a strategic review session to reassess the political situation and the future areas of focus for the project. The team identified three broad themes on which to focus future activities: expectation management during the constitution-writing process, national unity, and linking the concerns of local residents with local and/or national government and CA. The team identified several new activities within this framework that allowed the program to position itself to respond to the needs arising during the constitutional-writing period. The team members then spent a significant amount of time in the field monitoring ongoing activities and assessing political and security situations that might need programmatic focus in the near future. The team also organized a day-long experience-sharing workshop with six organizations that implemented local government strengthening activities in three districts. The main purpose of the workshop was to highlight and discuss the objectives, indicators, and lessons learned so as to incorporate into future activities.

In March 2010, the program adjusted its geographic focus by deemphasizing programming in the central *terai* and starting activities in the far-western district of Kailali. One implementation team was assigned as the roving team to design and implement activities in multiple identified hot spots around the country. The team adjusted well and had begun implementation of three activities in Kailali within one month.

The uncertainty surrounding the constitution-writing process weighed heavily on the program in the lead up to the May 28, 2010 CA deadline. The program preemptively created activities that would encourage patience in the process, while planning for a worst-case scenario if the country became violent. The UCPNM held a six-day *bandh* during the first week of May to demand their inclusion in the government. The country was largely at a standstill; however, the NTI offices in Kathmandu and Janakpur largely remained open as staff caught up with administrative duties and monitored the situation.

The team also made adjustments in order to strengthen its regular monitoring and evaluation process by utilizing a new tagging system in the database where activity notes can be labeled and filtered. In addition, the team made several additions to the monitoring process in order to create better guidance to the grantees on the type of information that is needed so the teams can better measure impact. A new emphasis was placed on standardizing the use of f-indicators and objectives across similar grants. Output indicators in the database were updated to better reflect the current needs of the program. NTI also held another strategic review session in June 2010 in which the team reviewed program objectives and sectors so that our strategy and program activities for the coming quarter were in line.

B. Problems Encountered and Proposed Remedial Actions

Most of the problems encountered were political in nature. The program's momentum was challenged due to the uncertainty of the CA extension. In addition, the UCPNM *bandhs* in December 2009 and May 2010 posed brief implementation challenges. However, these were not new occurrences and the staff worked well with partners to ensure activities were not adversely affected. Monsoon flooding and landslides provided logistical challenges as staff were sometimes unable to travel to activity areas and some small-scale development activities were delayed.

NTI had to cancel funding for production of the reality television show *Khoj: Yuwa Netritwa Ko* (The Hunt for Youth Leadership). With only two episodes remaining, out of 18 episodes in total, it was revealed that the contestants' scores were manipulated by the organization that managed the program under an NTI grant. NTI concluded to end the show as there was no way to verify the correct winners and airing any further episodes risked treating a portion of the contestants unfairly and potentially choosing the wrong winner. The program was created to develop tolerance, understanding, and different perspectives of young Nepalis throughout the country and to demonstrate the role they can play in the development of their country's leadership. Although the program was cut short, it provided an opportunity for 75 youth to showcase their talents on national television. NTI worked closely with the contestants and the production team to manage the situation as well as possible.

Overall, there were few implementation problems encountered during the reporting period and the program is well positioned for smooth implementation for the final year of the program.

ANNEX A. YEARLY TREND ANALYSIS OF SECTORS

Exhibit 1.

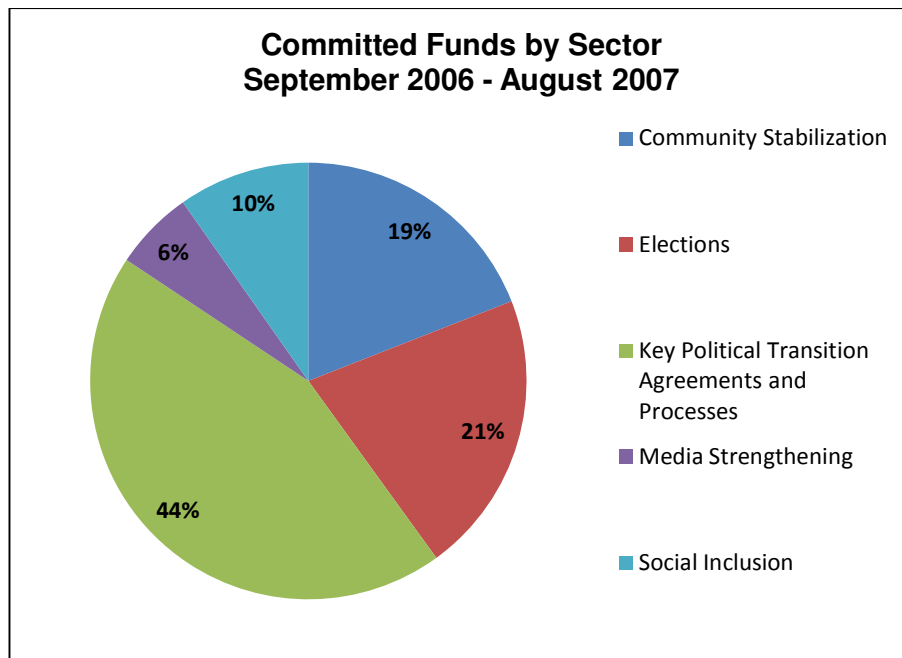


Exhibit 2.

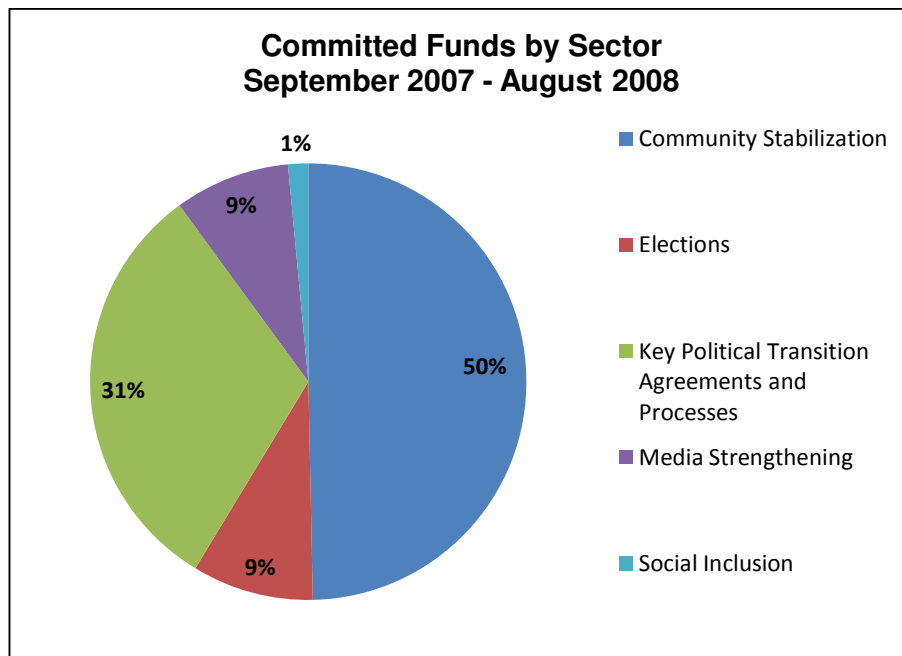


Exhibit 3.

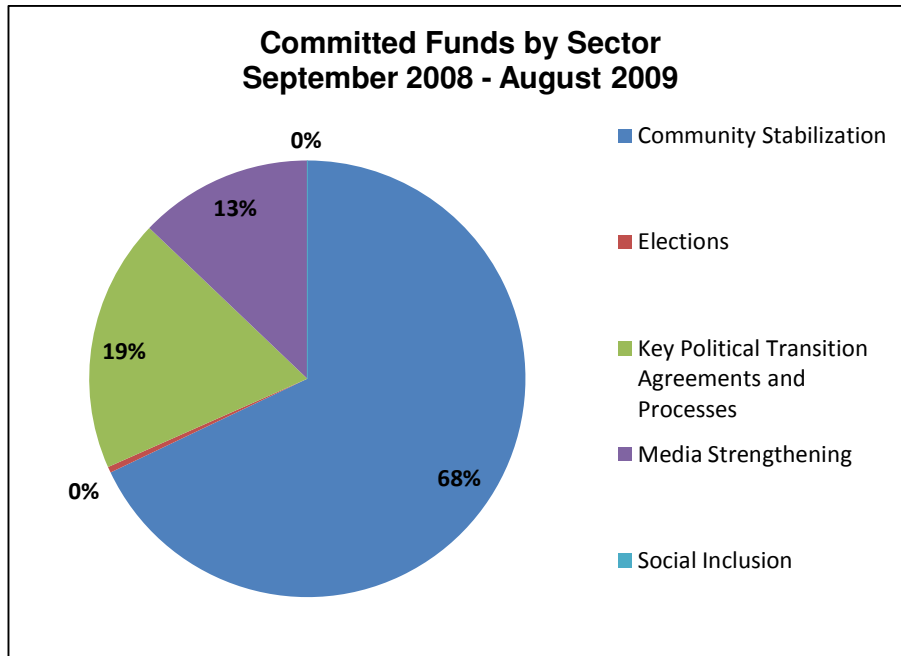
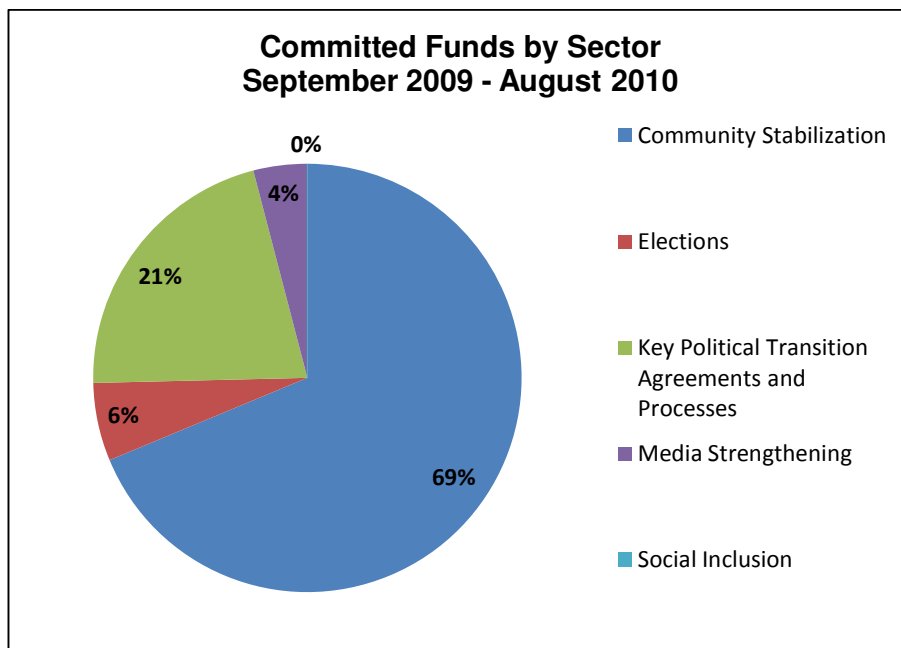


Exhibit 4.



ANNEX B. YEARLY TREND ANALYSIS OF OBJECTIVES

Exhibit 5.

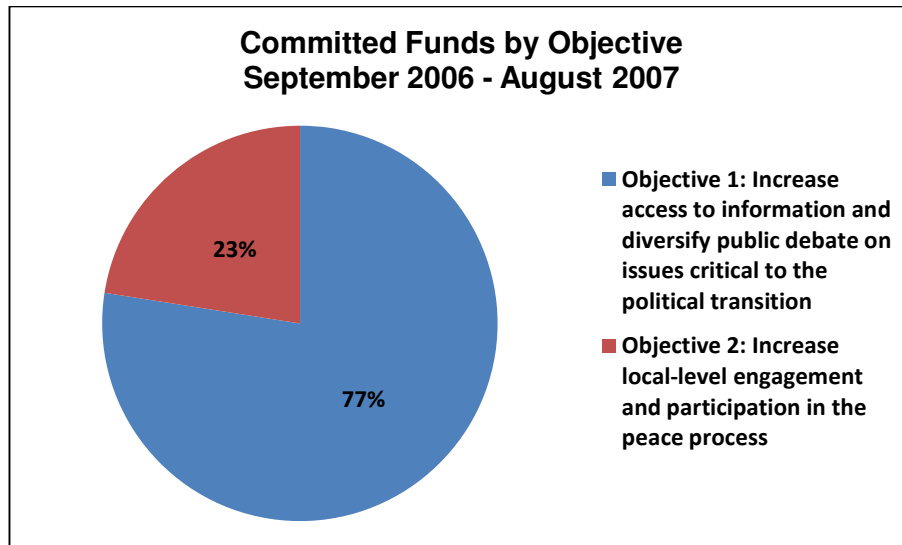


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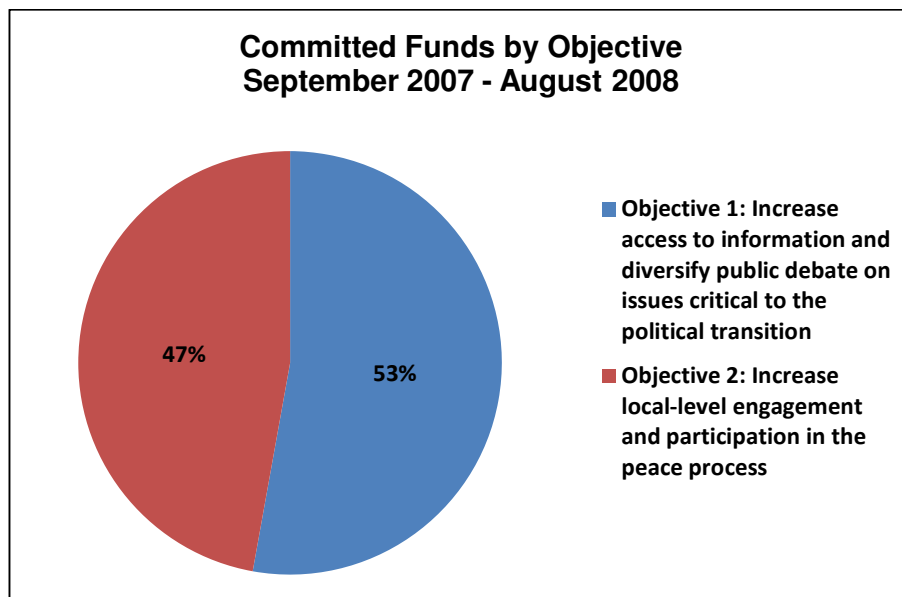


Exhibit 7.

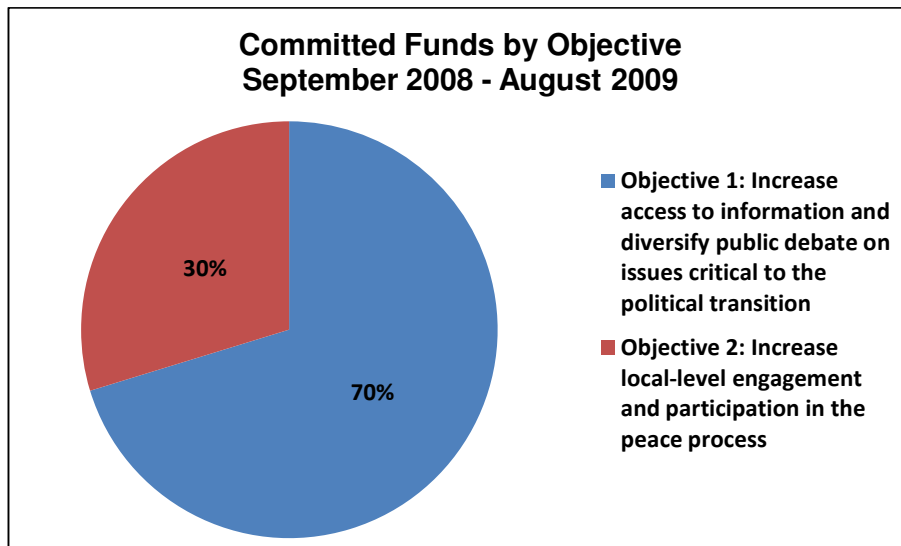


Exhibit 8.

